

IGCSE

Edexcel

Commerce (4340)

November 2006

advancing learning, changing lives

Examiners' Report

Edexcel is one of the leading examining and awarding bodies in the UK and throughout the world. We provide a wide range of qualifications including academic, vocational, occupational and specific programmes for employers. Through a network of UK and overseas offices, Edexcel's centres receive the support they need to help them deliver their education and training programmes to learners.

For further information please call our Customer Services on 0870 240 9800, or visit our website at www.edexcel.org.uk.

November 2006

All material in this publication is copyright

©2006

Contents

Paper 4340 1F/2H	04
Paper 4340 1F	05
Paper 4340 1F/2H	06
Paper 4340 2H	06
Paper 4340 03	08
Statistics	09

Edexcel Ltd holds the Copyright for this publication. Further copies of the Mark Schemes may be obtained from Edexcel Publications.

4340 / 1F - 2H: Written Paper (Foundation and Higher)

General Comments

This was the second IGCSE Commerce examination. The overall performance of candidates in this examination was encouraging. The overall marks and level of achievement for paper 2H was slightly higher than paper 1F. The marks for paper 1F were slightly disappointing. Nevertheless, centres appear to be selecting and entering candidates for the appropriate Tier.

Candidates coped well with the use of the question paper as answer book. There were not many occasions where candidates used space in addition to the answer lines, in order to complete their answers. Centres are again encouraged to work with their candidates to ensure that (most) answers are limited to these answer lines, the number of lines being a good indicator of the expected length of answer. The standard of written communication was generally good, and sometimes excellent.

The majority of candidates did not always answer at the appropriate level of skill. IGCSE examinations measure a far wider range of skills than recall.

The Mark Scheme contains much information that is relevant to centres, as follows.

Each question indicates the level(s) at which it is based:

- AO 1 Demonstrate - this Assessment Objective tests candidates on their ability to demonstrate their knowledge and understanding of the commercial term, idea or concept featured in the question. For example, Paper 1F Question 3(b)(ii) asks candidates 'State three benefits of being a credit card holder'. Command words such as 'Define', 'Describe', 'Name', 'List', 'State' and 'What is . . . ?' confirm the question is at this level.
- AO2 Apply - this Assessment Objective tests candidates' ability to relate their answer to the context. In this Series, candidates were required to use the information given about a statement of account. For example, Paper 1F Question 1 (a) required candidates to show the relevant information/figures from the statement of account provided. Command words such as 'What was' and 'Give [an example in context]' confirm the question is at this level.
- AO3 Analyse - this Assessment Objective requires candidates to select, interpret or otherwise analyse some issue presented by the question. For example, Paper 2H Question 4 (b) asked candidates to analyse why retailers offer a choice of payment methods to consumers. Command words such as 'Analyse', 'Compare' and 'Select' confirm the question is at this level.
- AO4 Evaluate - this most demanding Assessment Objective tests candidates on their ability to formulate some judgements. For example, Paper 2H Question 4 (c) expected candidates to discuss the implications for the business of home shopping by their consumers. Command words such as 'Evaluate', 'Explain why', 'Judge' and 'Suggest' confirm the question is at this level.

Possible answers are provided as indicators of what is expected. It remains important for Centres to realise that the answers given in the Mark Scheme are **not** meant to be exhaustive. This is confirmed by the use of the statement 'Valid points could include', and by the use of the abbreviation 'eg'.

The possible answers are structured using dashes and obliques ('slashes'). It remains the practice in this examination to use a dash in order to separate points that are worth **additional** marks, and an oblique to indicate an **alternative** way of making the same point.

4340/1F - Foundation Paper

Question 1

Part (a) was generally well answered. Many candidates achieved at least four of the eight marks available.

Part (b) was also generally satisfactorily answered, although part (iii) concerning a debit note proved to be challenging for many of the candidates.

Part (c) required candidates to apply their knowledge given on the statement of account. Weaker candidates often could not provide the second mark for part (iii). For example, they could have mentioned the saving on the cost of orders. The other parts were generally well attempted.

Most candidates found difficulty in stating the forms of business ownership for a Ltd and plc to part (d).

Part (e) was not well answered.

Most candidates had some valid points on why businesses need to insure their business to part (f).

Question 2

The part (a) question focussed on defining terms related to profit. Many of the definitions lacked precision. It would be useful if centres asked candidates to place key definitions in a separate section of their books or files.

In part (b) candidates should have been able to score at least four marks out of nine. However, apart from the calculations many of the answers lacked understanding.

The vast majority of candidates to part (c) (i) and (ii) gained very few marks for analysing the benefits of the mail order business and why some consumers dislike mail order shopping. In addition, it is important to point out that this was an AO3 analyse question where to the command word 'Analyse' the candidates were expected to analyse and interpret the information rather than to describe what a mail order business does.

Question 3 - Foundation Tier (4340/1F) / Question 1 - Higher Tier (4340/2H)

In part (a) Foundation Tier candidates demonstrated a lack of application to the order form provided. For example, very few candidates knew the correct answer of 'telephone' to part (a) (i). Higher Tier candidates performed reasonably well. For example, to part (ii) there were some maximum scores of three marks.

Part (b) produced many sound answers from Higher Tier candidates, with Foundation Tier candidates finding it difficult generally to score marks. In part (ii) the important words were 'not be a convenient method'. Most Foundation Tier candidates described security aspects of holding cash rather than the inconvenience of having to visit the post office with it.

There was some knowledge on the parties to a cheque to part (c) (i) by the majority of Higher Tier candidates and stronger Foundation Tier candidates. In part (c) (ii) the cheque needed the use of general and special crossings in order to make it as safe as possible.

In part (d) (i) It was disappointing to see many candidates on both tiers having difficulty with the topic of paying for goods via the internet. This was mentioned as an issue in the previous Examiners Report. There were many interesting and relevant suggestions to how the advertisement could be improved to part (ii).

4340/2H - Higher Paper

For comments on Higher Paper Question 1, see comments on Foundation Paper Question 3 above.

Question 2

Part (a) was only reasonably attempted, with many candidates scoring four marks from the eleven marks available. Part (ii) required analysis, needing more than just saying that the situation was not very good or unfavourable in order to score more than one of the three marks available. Part (iv) was poorly answered on discussing the significance of the Balance of Payments situation.

The three parts to (b) on the topic of customs duties were not well answered.

Part (c) on the problems of exporting was generally well answered by the majority of candidates.

Question 3

Part (a) (i) was generally very well answered. Most candidates knew that production was concerned with the manufacture of goods. However, the application of examples of the factors of production to the computer industry proved difficult for all candidates.

Most candidates could only obtain two out of six marks on the use of money in business to part (b).

Part (c) (ii) was targeted at AO3 Analysis and AO4 Evaluation. The stronger answers developed the reasons given with appropriate examples or suitable application of content. For example, better candidates wrote that specialisation led to increased output and the ability to meet orders although it could lead to boredom and dissatisfied workers.

Question 4

In part (a) (i) there was a general lack of knowledge on the topic of consumer protection. Again, candidates found difficulty in evaluating the merits of buying by Hire Purchase compared to cash.

In part (b) many candidates realised the importance of increasing sales leading to greater profit as the main reason behind offering consumers a choice of payment methods.

In part (c) candidates were asked through the command word 'discuss' to evaluate their answers, that is, with points for and against. This question differentiated well. Weaker candidates either concentrated on points for or limited their answers to simple undeveloped points. Stronger answers looked at both sides in a developed fashion.

4340/03 - Written alternative

General comments

This was the second examination for this subject. There were just four entries (from four separate centres), whose marks ranged from 20 to 28. There was no evidence that 1 hour and 10 minutes was insufficient for students to complete the assessment tasks and no questions were left unanswered.

The candidates performed particularly effectively on questions 1, 2 and 3 which mainly test the lower level skills, but struggled with question 5 particularly, which required evaluation, reasoned judgement and an appropriate conclusion.

However, generalisation is difficult with such a small number of candidates.

Question 1

This required basic knowledge to be taken from the scenario. i.e. advising Dilshan about borrowing. It was well done.

Question 2

All of the candidates gave a sufficient number of correctly identified assets and liabilities to achieve maximum marks.

Question 3

This question sought the application of knowledge (A02) in showing how a computer system and a credit card facility would help Dilshan's business. The answers in (a) were marginally better than in (b), with most candidates giving at least one developed point in each part.

Question 4

The candidates were able to accurately identify at least two methods and did not restrict themselves to the ones provided in the source material. Applying the methods to the context proved difficult, with weaker candidates copying out sections from the sources without much attempt to relate them to Dilshan's situation.

There was analysis in places, with one candidate effectively using the clues in the sources to develop advantages and disadvantages.

Question 5

Candidates were asked to make recommendation and did so, usually backed with at least one reason. Relevant answers focused on size of loan, speed, convenience, interest payments and budgeting. However, other valid points such as time period, future business plans and cash flow were ignored.

Pleasingly, there were some reasoned comparisons and sensible conclusions.

4340 Statistics

Option 1 : Written Paper 1F with Written Alternative (Paper 03)

	A*	A	B	C	D	E	F	G
Foundation Tier				49	42	35	28	21

Option 3 : Written Paper 2H with Written Alternative (Paper 03)

	A*	A	B	C	D	E	F	G
Higher Tier	78	68	58	49	39	34		

Note: Grade boundaries may vary from year to year and from subject to subject, depending on the demands of the question paper.

For more information on Edexcel qualifications, please visit www.edexcel.org.uk/qualifications
Alternatively, you can contact Customer Services at www.edexcel.org.uk/ask or on 0870 240 9800

Edexcel Limited. Registered in England and Wales no.4496750
Registered Office: One90 High Holborn, London, WC1V 7BH



A PEARSON COMPANY

